GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:3074
ANSWERED ON:03.08.2017
Funds to Panchayats
Sharma Shri Ram Swaroop

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) the details of the funds provided to Panchayats across the country during 2015-16, State/UT-wise;
(b) the allocation of funds to Panchayats in Himachal Pradesh during 2017-18;
(c) whether any monitoring committee has been set up to monitor the utilisation of funds, if so, the details thereof; and
(d) the details of the provisions regarding allocation of funds to the Panchayats?

Answer

MINISTER OF STATE IN THE MINISTRY OF PANCHAYATI RAJ
(SHRI PARSHOTTAM RUPALA)
(a) : Under the Fourteenth Finance Commission(FFC) award for the period 2015-20, grants are devolved to Gram Panchayats constituted under Part IX of the Constitution in 26 States. The State-wise total allocation and release of grants to the Panchayats during 2015-16 under Fourteenth Finance Commission Grant are given at Annexure-I. Details of funds released to Panchayats by the Union Territories administrations of Andaman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep and Puducherry during 2015-16 are at Annexure-II.

(b): Rs. 352.76 crore has been allocated to Gram Panchayats (GPs) in Himachal Pradesh under FFC award for the year 2017-18 out of which Rs. 156.30 crore has been released to GPs as first installment so far.

(c) : Ministry of Finance (MoF) guidelines dated 8.10.2015 enjoin upon States to constitute a High Level Monitoring Committee (HLMC) headed by Chief Secretary for monitoring and concurrent evaluation of local bodies and to ensure that funds are utilized for the purpose recommended by the FFC. Ministry of Panchayati Raj (MoPR) has constituted a Coordination Committee under the Secretary, Panchayati Raj to inter-alia guide and support States and local bodies in the implementation of FFC recommendations, monitor progress of expenditure of grants by local bodies and suggest remedial measures.
(d): Grants being devolved to Gram Panchayats under FFC award constitutes an assistance of Rs. 488 per capita per annum at an aggregate level. The grants are to be distributed by the State Governments among the Gram Panchayats applying the distribution formula of the latest State Finance Commission (SFC). In case SFC formula is not available, then the share of the Gram Panchayats should be distributed using 2011 population with a weight of 90% for population and a weight of 10% for area.
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